

24 JUL 1970

NOTE FOR: Mr. Bannerman

SUBJECT : Proposed Change to Travel Benefits for CSRS Retirees

1. This memorandum is for your information.

2. On 22 July 1970, I had an "Executive Session" type discussion with all Chiefs of Support for the CS on the possible change in retirement regulations to permit retirees under the CSRS to move to a retirement point. [REDACTED] had a very brief discussion with the group two weeks ago on an "FYI only" basis and it still remains a privileged matter. The group contributed the following observations and opinions which might be of value in your handling this matter with the Deputies and others concerned:

- a. There is "bitter" resentment among "many" at the differences which now exist for participants in the CIARDS and CSRS retirement plans, i. e.:
  - (1) Straight 2% annuity computation under CIARDS
  - (2) Opportunity to retire at age 50 without reduction in annuity under CIARDS
  - (3) Free domestic move to retirement point under CIARDS
  - (4) 60 months of overseas service is frequently less demanding and arduous than the same amount of time in Headquarters assignments
- b. Forcing a CSRS participant to retire at age 60, rather than at age 70, has not been compensated for when comparing the retirement benefits of the two systems.
- c. The CS Career Service now has between 50 and 60 employees under the CSRS who would retire immediately if the Agency could move them to their chosen retirement point. For this group, the 3.75% difference in annuity computation is not the predominant factor, the cost of moving represents an expense which they cannot afford without further work and saving. When one considers that the Washington area is among the most expensive in the country, and the fact that many of our CSRS retirees will find their income substantially reduced, it speaks strongly for making possible a relocation to a less

expensive area. By including all participants under the CSRS we would have provided one offsetting disadvantage to requiring retirement at age 60 rather than at legally permissible age 70. Add to this the prospect that selection out procedures may be applied equally to participants in the CIARDS and CSRS plans and you have a further compelling argument to include all CSRS participants.

- d. There are many occupational groups in the Agency, such as automatic data processors and planners, whose only useful employment site is in Headquarters. We have no wish to send these people abroad and even if we did there would be no suitable use for them except, perhaps, in a rare instance. Our objective with them is to retain their expertise here for a full career. Yet, they are as much a part of the Agency as the specialist who can be used abroad.
- e. By regulation or by conscious act, most employees have assumed an obligation to serve the Agency wherever their skills are in demand. The fact that we do not elect to [REDACTED] foreign service does not mean he would not so serve. Perhaps an alternative criteria for extending the retirement travel benefit would be to deny it only to those on whom there is a documented refusal to accept a reassignment involving a change of physical location [REDACTED]
- f. It might be better to live with the present resentment if an across-the-board policy cannot be adopted for CSRS retirement travel for then you would create in addition to the "ins" (those under CIARDS) and the "outs" (those under the CSRS) a third category of "almost ins" (those who have been abroad, PCS or TDY, but for less than the magic 60 months).

[REDACTED]

Deputy SSA/DDS